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REPORT OF THE

MAYOR'S ECONOMIC EMERGENCY TASK FORCE

MARCH 10, 1993

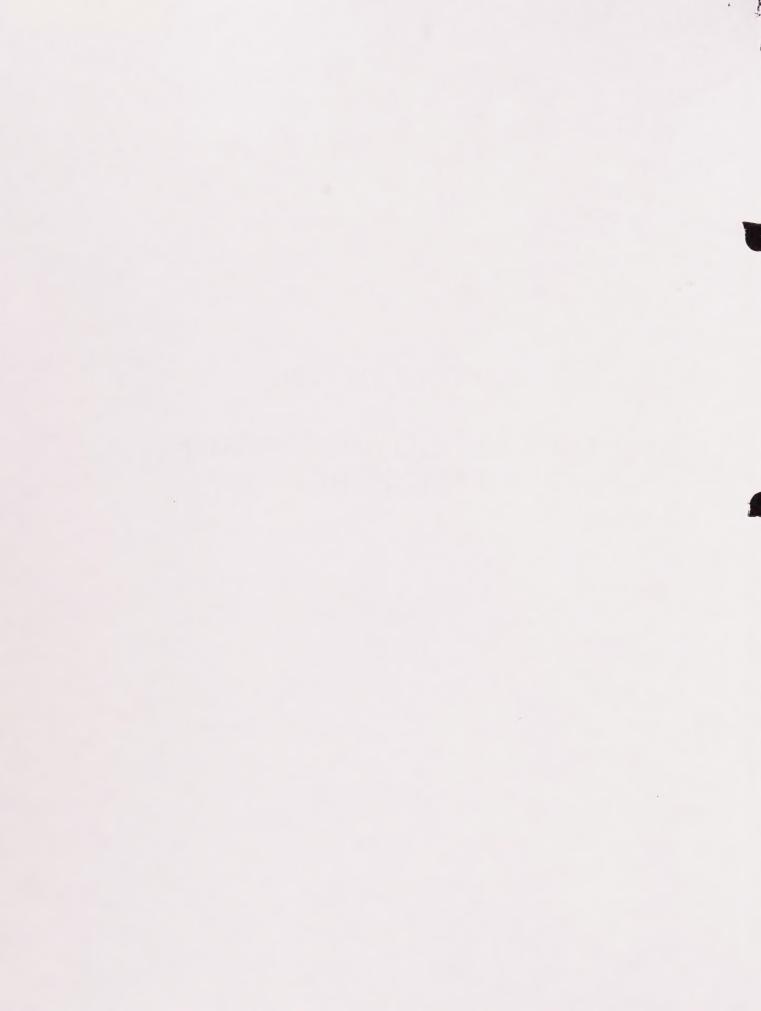


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REPORT OF THE

MAYOR'S ECONOMIC EMERGENCY TASK FORCE

Background and Charge

On February 3, 1993, Mayor Harris declared an economic state of emergency in Oakland. This action was stimulated by the announcement of two major retail closures. To respond to the economic problems facing the City, the Mayor appointed the Economic Emergency Task Force, comprised of business, labor and community leaders, to immediately examine a current list of proposed economic initiatives.

The assignment of the Economic Emergency Task Force was to identify and prioritize economic measures and actions that preserve and improve Oakland's economic base, and to recommend mechanisms for monitoring and evaluating these proposals. The goals of the Task Force were to stem the tide of business out-migration and closures, and to prepare the way for more long term strategies that will strengthen the City's economic base.

While Oakland has felt the brunt of the economic downturn affecting the national and state economy, it has also suffered from a devastating earthquake and the most disastrous residential fire in the history of the United States. In addition to the general economic decline, Oakland is now confronted with the potential loss of its major military installations. These installations have a total civilian and military workforce of over 20,000. The economic impacts of the loss of military installations could severely cripple Oakland's economic recovery unless specific measures are taken to reuse the facilities for peacetime purposes, to retain and re-skill the personnel, and to support the City tax base during this transition. Finally, Oakland is the hub of a regional economy and its economic health has direct consequences for the entire region. Thus, there is the need for a focused strategy and directional map to guide the Mayor and City Council in the immediate allocation of limited resources to retain existing businesses, attract new commercial and industrial development, and increase employment.

The role and mission of cities has changed in the last two decades. Formerly, cities were only responsible for public safety and public infrastructure. Few cities took any responsibility for business development and job creation and left these activities to the business sector. Today, cities aggressively seek partnerships with business and industry to create healthier economic climates, and also to develop appropriate stimulators to attract, retain, and expand businesses. Oakland must place itself in the forefront of this change and both the City Council and the Mayor must view themselves first as economic development leaders second as stewards of public resources.

Issues

There is a perception that all economic development efforts focus on the downtown, without sufficient concern being given to the neighborhoods and to other areas or sectors of the economy. There is a perception that the City does not welcome business or entrepreneurial efforts, but instead thwarts both development and new businesses. There is considerable frustration regarding the regulatory atmosphere in the City and the planning, permitting, and development process. There is a perception that City agencies responsible for planning, building and economic development are not focused on the right priorities and are required to concentrate too much time regulating and too little time initiating activities or responding to opportunities that can benefit the community. There is a perception that the existing training and human resource development efforts are poorly coordinated and misfocused on sectors of the economy that are outmoded and declining. Finally, there is a growing impression that the City Council is so burdened with micro-managing controversial issues and community disputes that it has little time for providing strategic direction or shaping an agenda for the future.

It is, therefore, critical that if Oakland is to successfully place economic restoration at the top of its agenda and reverse the perceptions of Oakland as being opposed to economic development and job creation, the Mayor, the City Council and all City Departments must reflect an open and welcoming attitude toward business. It is only through a healthy business environment, which attracts new businesses and retains existing organizations, that jobs are created, needed commercial services are available and accessible, tax revenues are increased and City services - social services, fire and police - are broadened.

The Agenda

Action must be taken to foster a culture, and organize an infrastructure within City government that welcomes, encourages, and supports business. A change of the dimension and magnitude required can only be accomplished by the determined commitment of the City's top leaders: the Mayor, the City Council and the City Manager's office. There are no quick fixes. Superficial or cosmetic responses will not be adequate. In addition, for the Task Force proposals to be effective, the City must enlist the support of the business community and the other stakeholders in the City. Efforts must be sensitive to the integrity of our diverse community and will require a strong cooperative partnership among Oakland-Sharing the Vision, the public sector, the private sector and community groups including churches, non-profits and academic institutions.

While Oakland continues to experience an economic decline, there are many activities and projects underway in the City that will contribute immeasurably to the economic health of the City. It is essential that these ongoing activities and projects continue to have the full support and attention of our government leaders.

The recommendations of the Task Force contained in this report need to be acted on quickly and forcefully. It is time to take bold action and move forward aggressively on each of the recommendations.

The recommendations of the Task Force address five broad focus areas: business and job retention, business and job attraction, education and training, capital formation and technical assistance. The recommendations are set forth in priority order. It is essential that all of them are undertaken, but if choices must be made, they should reflect the priorities laid out in this report. Following the listing of recommendations that need to be initiated within a short time frame, the report also takes note of longer term initiatives currently underway. More detailed backup material and implementation steps on each specific recommendation are included in an appendix to the report.

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RECOMMENDATIONS

IN PRIORITY ORDER

1. Retaining businesses in Oakland must be one of the highest priorities of city government. The <u>Task Force recommends:</u>

the immediate creation and full funding of a Citywide retention program focusing primarily on businesses within the Enterprise Zone* and modeled after the Coliseum Commerce Center Corporation Retention Program.

(* Conditional designation has been granted by the State to affect the flatlands.)

2. To strengthen and rehabilitate neighborhood commercial districts, the <u>Task Force</u> recommends:

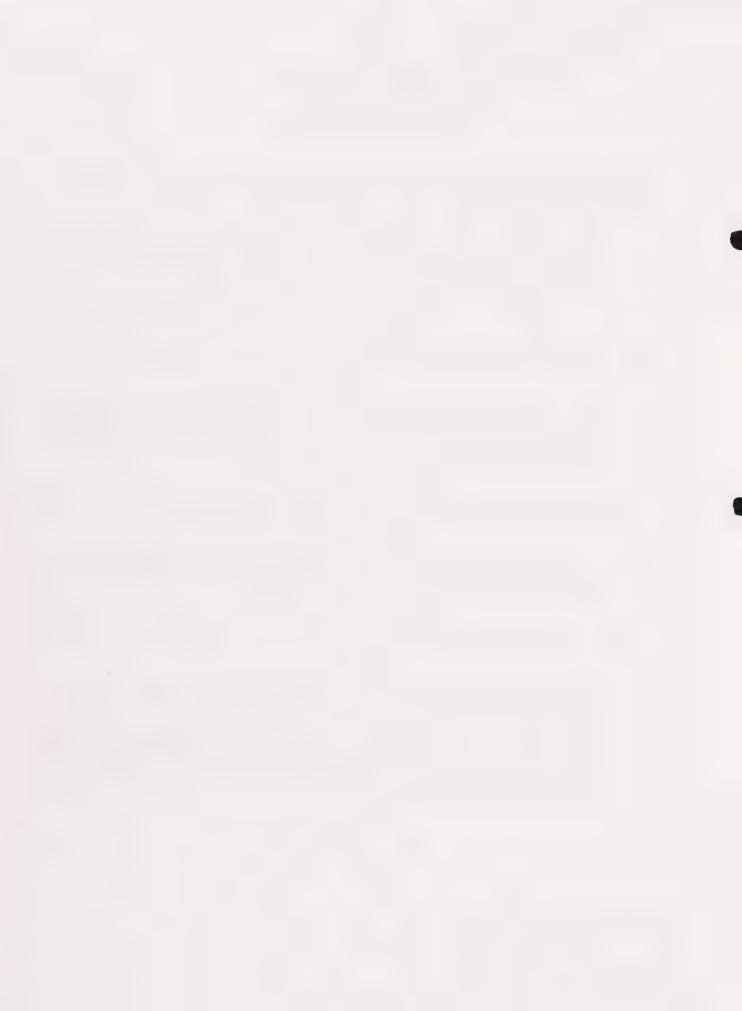
the use of Commercial Specialists to work on marketing and other issues of the local merchants. Additionally, Neighborhood Commercial Revitalization Plans should be done Citywide; in the first two years, plans should be produced for 6 to 10 of the key commercial areas in the flatlands.

3. To foster the growth of small businesses and encourage home ownership through increased availability and accessibility of capital, the <u>Task Force recommends</u>:

the convening of a "Lender's Summit on Community Investment" jointly sponsored by Mayor Harris and the Federal Reserve Bank of San Francisco, that includes community participation, in June of 1993.

4. In order to demonstrate the City's strong interest in attracting new businesses to Oakland, the Task Force recommends:

the immediate creation of a Business Attraction Team - composed of industry executives, government officials, and civic and community leaders. This group of leaders would be called together on an as-needed basis by the Director of the economic development department to assist prospective organizations in assessing opportunities in Oakland and expediting the permit and project management process. The Chambers of Commerce would be major participants in organizing corporate support.



5. There is a need for a systematic and ongoing process to thoroughly integrate employment, training and education into the economic and business life of Oakland. The <u>Task Force</u> recommends:

that a Quality Workforce Summit be held in June of 1993, aimed at improving linkages between training providers and employers to prepare the Oakland workforce. The Summit would be sponsored by the Mayor, and co-sponsored by major employers, Private Industry Council, Peralta Community College District, the Alameda County Economic Development Advisory Board, Oakland Unified School District, the County School District, the Department of Labor, trade unions, World Institute on Disability, and the University-Oakland Metropolitan Forum among others. Summit participants would include vocational educators, and school counselors, as well as school administrators and corporate human resource directors. This summit would be followed by quarterly conferences by industry sector.

6. A good basic education is fundamental to the maintenance of a quality workforce.

Uncertain and inadequate State funding for schools jeopardizes the continuity of the education program. The <u>Task Force recommends</u>:

that the City support initiatives by the school district to identify tax measures dedicated to strengthening the schools, particularly vocational education.

7. Given the benefits of qualifying as an Enterprise Zone the <u>Task Force recommends</u>:

that the City Council's Economic Development, Community Development, and Housing Committee (Economic Development Committee) move swiftly to fulfill all conditions to achieve final designation as an Enterprise Zone as well as the development of a marketing, outreach and communications plan for the Zone.

8. In order to improve the business and regulatory climate in Oakland, the <u>Task Force</u> recommends:

that the City Council commission an independent audit to determine if City planning and building regulations and policies delay or discourage housing, commercial and industrial development and to what extent they can be streamlined;

that the Harvey Rose <u>Management Audit of the Permit Processing</u>, <u>Construction Inspection</u>, and <u>Code Enforcement Functions of Oakland City Departments</u> report be fully implemented especially in regard to the use of process coordinators and combination specialty inspectors; and

that a pilot project, utilizing Total Quality Management, be initiated within both the departments of Planning and Building and Business License to retrain the workforce in order to become more customer-oriented.

9. The need for a well thought out economic development strategy to guide the action of the City Council and identify priorities is apparent. The <u>Task Force recommends</u>:

that the City Council complete and adopt an Economic Development Strategy. This could be achieved through the City Council's Economic Development Committee in collaboration with the City's economic development department and Oakland Sharing the Vision.

10. While the Bay Area, in general, has witnessed the explosive and dramatic growth of the bioscience industry, Oakland has not shared in that growth. The <u>Task Force recommends</u>:

that the City contract with the Bay Area Bioscience Center to detail the steps Oakland should take to become a competitive site for bioscience company formation and relocation; and

that there is immediate follow-up to the recommendations of the Bioscience Center.

11. Inasmuch as the Port, transportation, and related industries play such a vital role in the economy of the City, the <u>Task Force recommends</u>:

that the Mayor and the City Council continue to work with and support the Port Liaison Committee in furthering the expansion of the maritime port, Oakland International Airport, American President Lines, and other major Port tenants, as well as the dredging of the Bay shipping channels to 42 feet.

12. In order to create more coherence, logic and certainty for the Oakland economy, the <u>Task</u> Force recommends:

that the City Council adopt an expedited schedule, work plan, and dedicated budget for development of the General Plan with primary focus on the Land Use and Transportation elements in order to strengthen the City's economic base.



13. City government and private businesses in Oakland generate high levels of business contracts and purchasing of goods and services which leak out of Oakland to cities in the surrounding area. The <u>Task Force recommends</u>:

that the Mayor initiate a "Buy Oakland" campaign in collaboration with the Chambers of Commerce to encourage the City and other government agencies, private corporations, and individual consumers to support our local economy by considering Oakland businesses first.

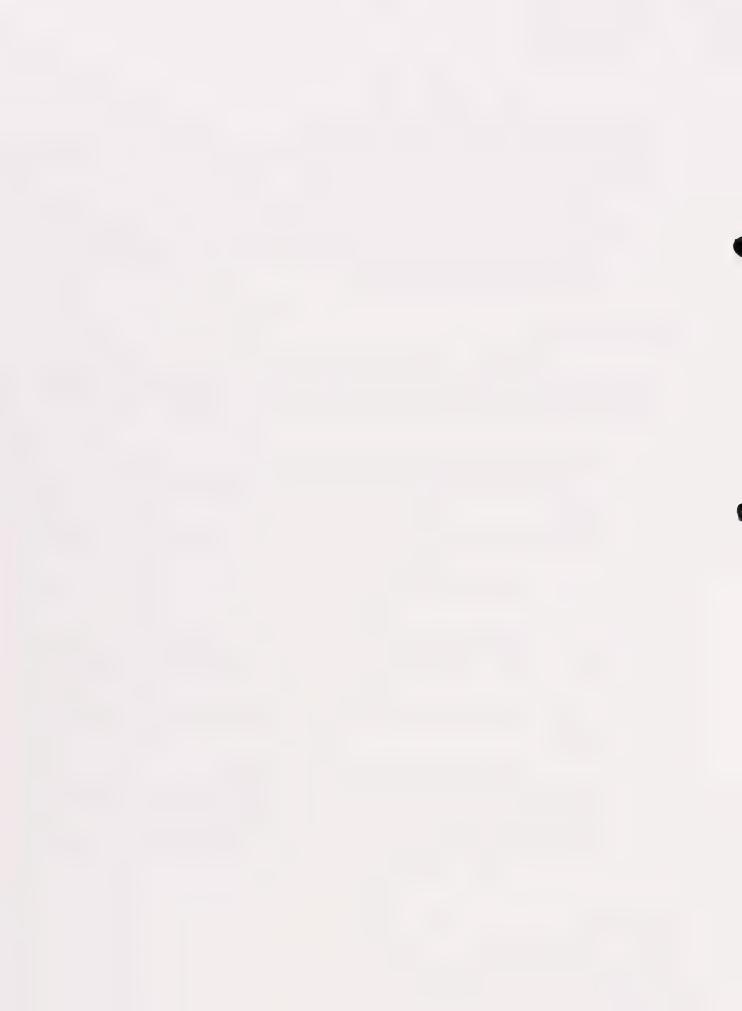
Long Term Initiatives:

The Mayor and City Council have already engaged in stimulating an impressive number of initiatives that are long-term in nature. It is essential that close oversight be given to these activities to assure that they are completed and acted upon expeditiously. Among these initiatives are:

- the development of the General Plan;
- the development of the Neighborhood Commercial Revitalization Plans;
- the Downtown Revitalization Plan, including the Chinatown area lighting and signage projects;
- the reorganization of the Office of Economic Development and Employment (OEDE);
 and
- the establishment of a Redevelopment and Economic Development Commission (to guide the reorganized OEDE).

The Task Force has been primarily concerned with immediate actions that Oakland can take to improve its economic situation. Many areas of economic development need longer term planning and strategies; and, we urge the City to begin work on at least the following additional issues:

- contingency planning for the alternative uses of closed military facilities, including business development, innovative land use, environmental clean-up, and workforce retraining;
- policy on locating(identifying sites for) large scale facilities;
- policy concerning land banking for economic development;
- development and maintenance of an economic information system to monitor change in the local economy and the impacts of public policies and programs; and
- programs such as "shopsteading" and other approaches to the recycling of vacant commercial properties for new neighborhood-serving businesses.



Follow-up and Monitoring of Economic Development Strategies and Actions

The proposals in this report, if adopted by the City, will require monitoring by the City Council and advisory bodies to ensure that they are fully and effectively implemented. Economic strategies and policies should be developed and approved by the City Council, beginning with its Economic Development, Community Development, and Housing Committee. Once the City Council has established policy priorities, appropriate commissions would monitor the specific programs and actions. In any restructuring of OEDE and the Redevelopment Agency, there should be a single Redevelopment and Economic Development Commission with the scope, authority and staffing to oversee the implementation of these policies and programs. This commission could have standing committees on business retention and attraction, community banking investment, education and training, foreign investment, and other topics, to give these issues sufficient time and focused attention.

The proposals of the Economic Emergency Task Force can and should be acted upon quickly, and measurable results should be visible within several months. The Task Force and Technical Advisory Panel will reconvene three months from now, in early June, to review the progress made toward the implementation of these recommendations. We request that staff of the City departments and the other organizations named in our recommendations provide updates for this follow-up session.

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MEMBERS OF THE

MAYOR'S ECONOMIC EMERGENCY TASK FORCE

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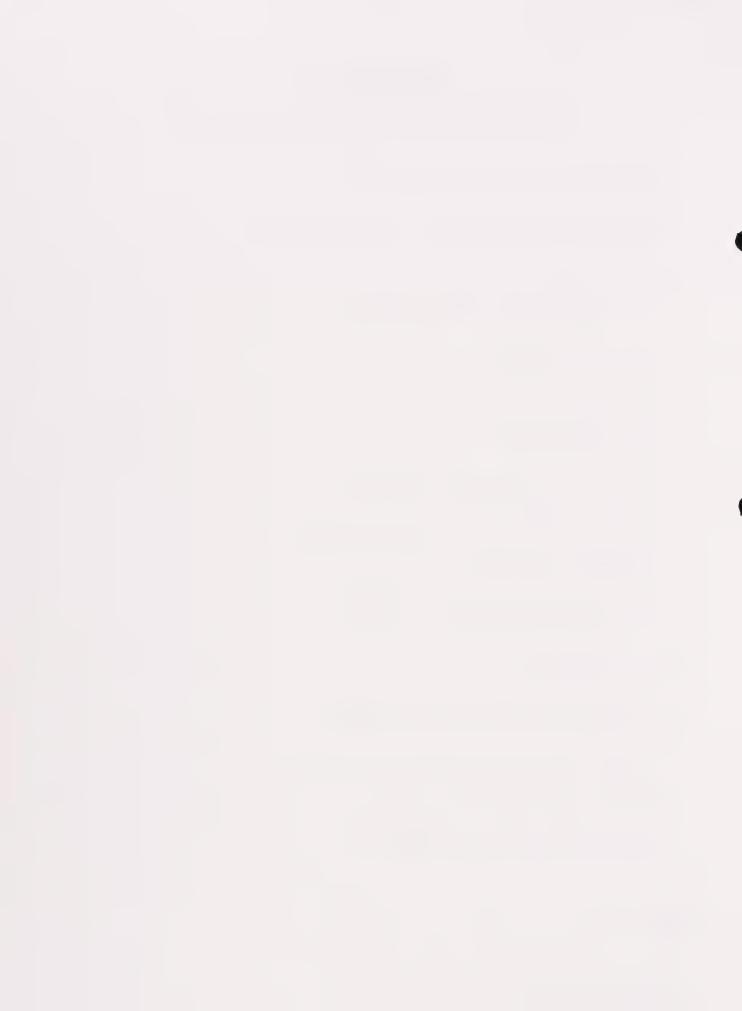
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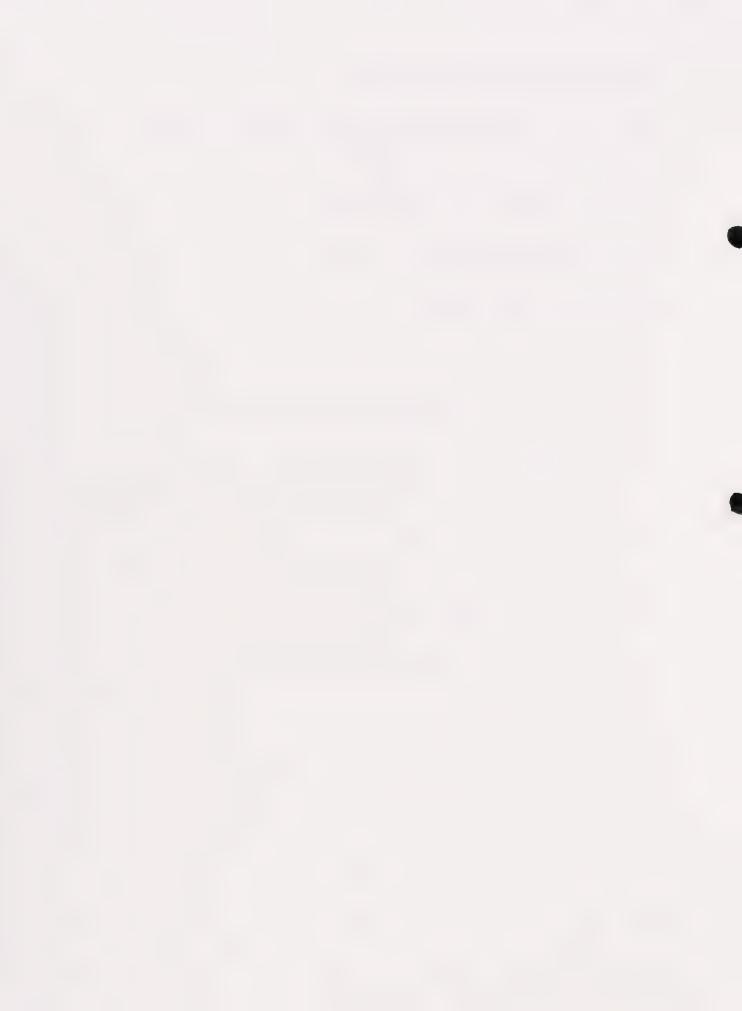
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APPENDICES

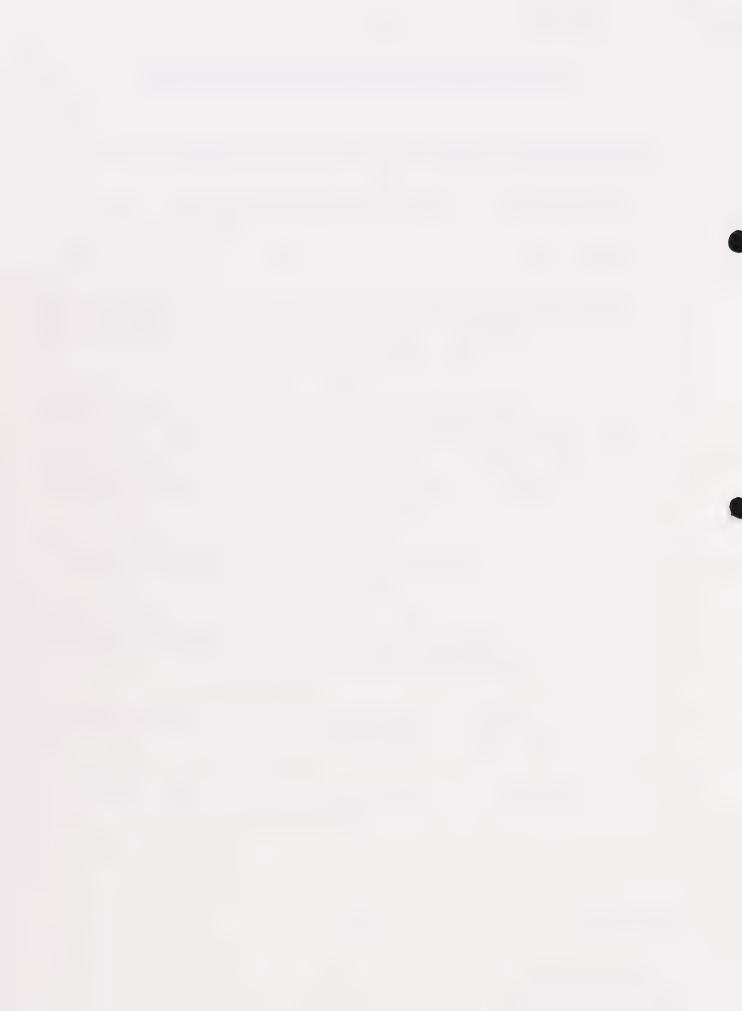
I. BACKGROUND REPORT ON BUSINESS RETENTION

Retaining existing businesses in Oakland must be one of the highest priorities for City government. This requires two types of actions:

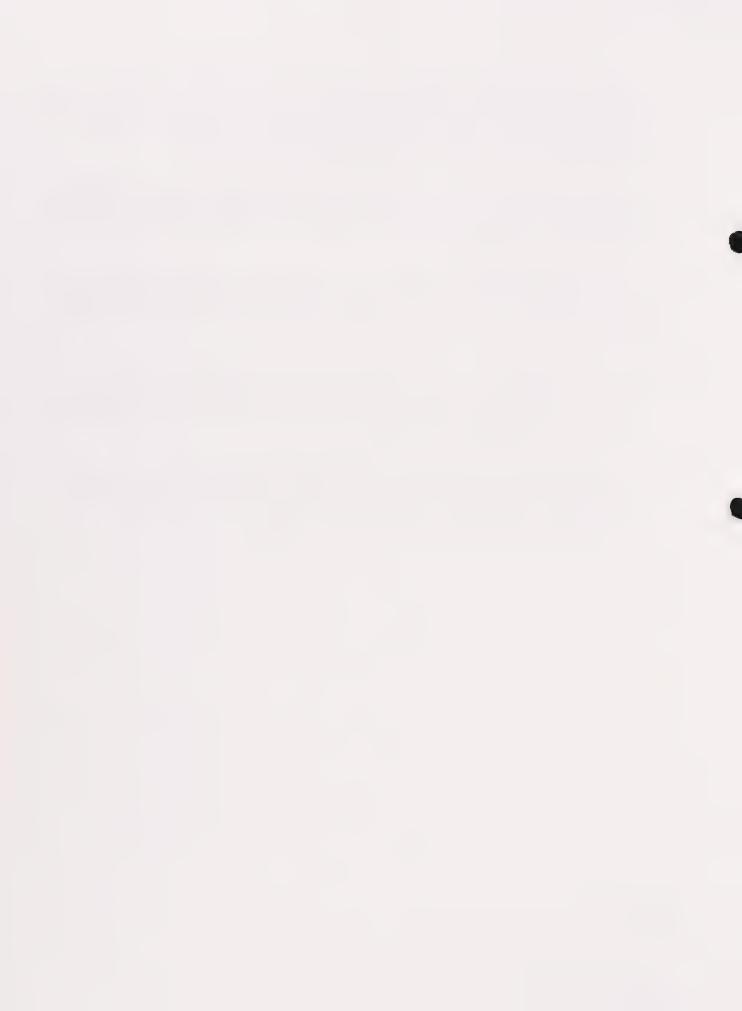
- 1) Swift implementation of a citywide Business Retention Program; and
- 2) Changes in the overall policies and administrative behavior of City departments toward business.

The Task Force understand that proposals for a Citywide Business Retention Program are being developed at this time. However, the Task Force has not reviewed these specific proposals. The immediate creation and full funding of a business retention program is necessary so that it will be in place by July, 1993. The program should be based on the following guidelines:

- Replicate the successful elements of the Coliseum Commerce Center Corporation Business Retention Program. That program is proactive rather than reactive. It engages the area's business leaders and public officials in positive, direct action, and builds a working alliance among neighboring firms. The program includes an Early Warning System based on a detailed annual survey of firms; a Response Team of business volunteers that visits and works with firms at risk of closing or leaving; a staff liaison function between firms and local government; and a quarterly newsletter and other forms of communication.
- Design district-specific business retention strategies with the private sector leadership of each part of the City. Tailor the program to the needs and priorities of targeted areas such as West Oakland, the central waterfront, central business district, and others.
- Do no balkanize the citywide program by creating duplicative staffs or conflicting policies on citywide issues. The program must be responsive to local districts, but should not be completely decentralized. There are many aspects of business retention which can be most consistently and efficiently administrated at the citywide level.
- Fund the program adequately to carry out its mission. The cost is estimated to be \$240,000. Make the best use of other existing OEDE program resources and staff and the participation of business, organized labor, and other participants.
- Make business retention a key element of the Enterprise Zone program. Identify and market the specific incentives which can be used to keep firms here.



- Maintain continuity of the Coliseum program while the larger program is being developed. The Coliseum project's City funding is scheduled to end on June 30. The advent of a new program should not be permitted to create a gap in service or otherwise diminish the effectiveness of the Coliseum Commerce Center Corporation project.
- Integrate the Business Retention Program with local providers of technical and financial assistance, so that they reach many more of the Oakland firms which could benefit from this assistance. The Business Retention Program should make referrals to the appropriate technical assistance and loan providers.
- Link the Business Retention Program directly to all the City departments which regulate or provide services to business. The Business Retention Program representatives should have ready access to supervisory personnel in each department to help resolve specific problems.
- Convene an annual review for the City Council and the public on the progress on business retention. This annual event would be an opportunity to celebrate successes, review progress, and recommend improvements to the program, and to the City's overall stance toward maintaining businesses in Oakland.
- Convene regular meetings of groups of firms by industrial sector (e.g., telecommunications, transportation, business services) with the Mayor, City Manger, Economic development officials and others to discuss their needs and prospects, and to recommend specific polices to retain and expand business.



II. BACKGROUND REPORT FOR CAPITAL FORMATION

The lack of access to capital and the unavailability of bank loans are serious obstacles to the formation of small businesses, their expansion, and growth. Similarly, there is a serious need for capital for individuals in lower income levels or for owners of multi-family units to purchase or rehabilitate housing.

For small businesses, there is a need for opportunities to obtain small loans (under \$100,000) and technical assistance to help start and operate small businesses, for larger loans (under \$250,000) for expansion and for financing real estate projects.

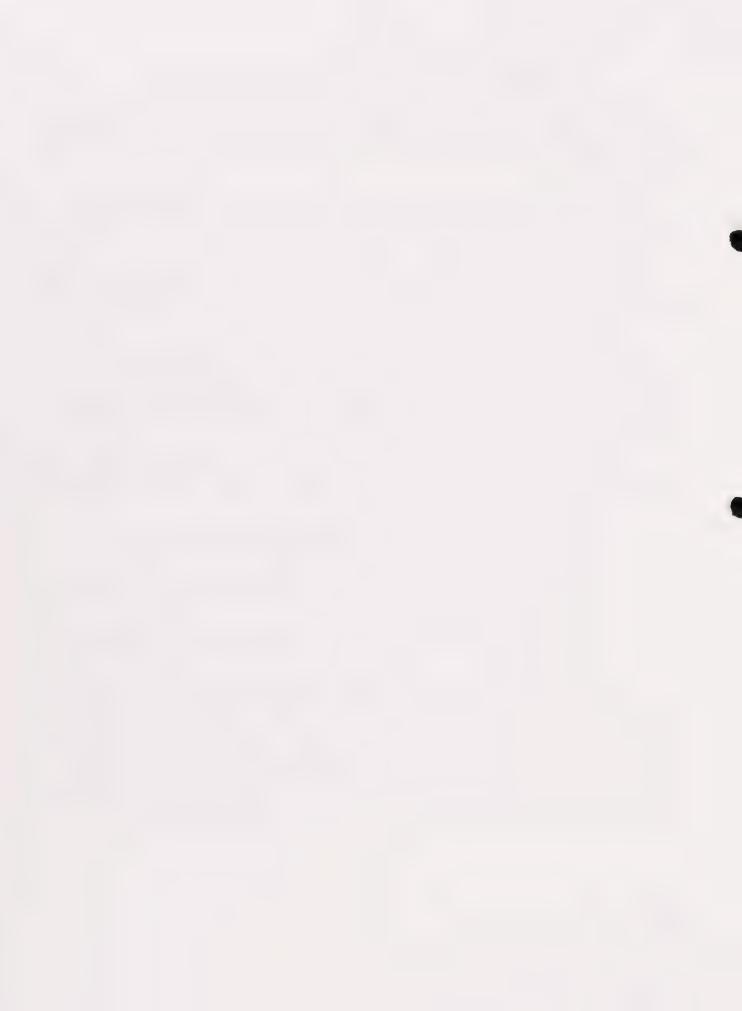
Expanding home ownership opportunities in many areas of our City would help to enhance and stabilize single family neighborhoods. Additionally, affordable rental units are needed to alleviate problems of overcrowding and disproportionately high rents.

A summit meeting of institution lenders would provide a forum to explore both the problems and solutions of access to capital. Community Development Centers, Community Development Banks, Community Reinvestment funding, a Community Financing Resource Center, and loan pools are just some of the concepts to be considered. The Federal Reserve Bank of San Francisco, in conjunction with the Mayor, is prepared to convene such a meeting.

The Fair Share Task Force, chaired by former Vice-Mayor Leo Bazile, is scheduled to go before the City Council's Economic Development Committee on March 16th. Recommendations include:

- assess the community credit needs of Oakland annually;
- evaluate lenders' performance in meeting the City's community credit needs;
- disclose annual evaluations of lenders to the press;
- adopt a linked banking services ordinance, and lobby others to do the same;
- compel lenders to disclose information on commercial lending, and lobby for state and federal legislation; and
- augment the current efforts of the City of Oakland to improve education and outreach efforts of community reinvestment activities by the City and the lending community.

Recently, the Office of Housing and Neighborhood Development contracted additional services from David Rosen and Associates to assist the City in negotiating community lending commitments for affordable housing and for the support of City staff in the area of community reinvestment. The "Lenders Summit" should take advantage of that expertise as well as that of many others in the Bay area. It is also important to note that Alameda County is currently proposing the establishment of a Community Reinvestment Commission, with representatives from business, financial, consumer, and non-profit sectors. Further action by the City Council should take into account the activities that are being advanced at the county level.



III. BACKGROUND REPORT ON BUSINESS ATTRACTION TEAM

Municipalities that have been most successful in attracting new job-creating businesses have established Business Attraction Teams. These teams are comprised of individuals from the highest levels of their respective disciplines and include leadership from industry, government, merchants, local development corporations and other community-based organizations. Absent this level of participation, attraction teams have almost always failed.

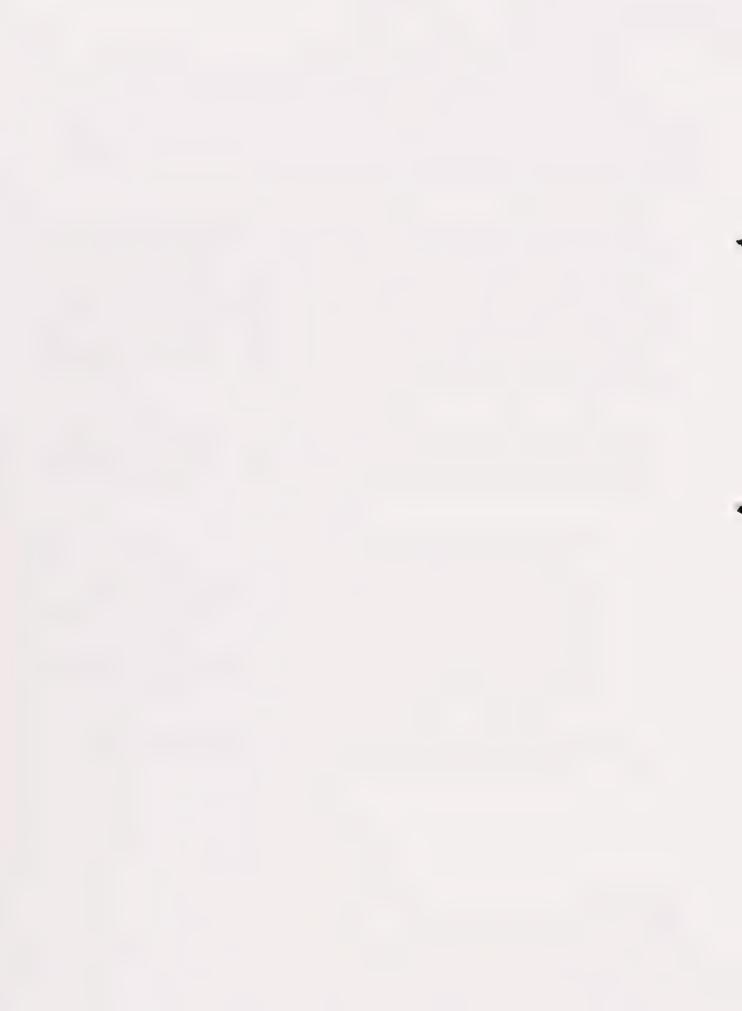
The process of establishing successful teams should include the involvement of the Chambers of Commerce, merchants associations, and community organizations. These teams should be flexible and range in size from 3 to 7 people, depending on the specific situation and need. The Mayor must appoint a standing group of 15 to 20 people from which the director of economic development can call upon. It would be standard practice for these members to be given a general briefing by City staff as to the benefits and liabilities of the City, the regulatory process, land use, transportation, labor force, taxes and other issues. Once established and after having received the general briefing, the Business Attraction Team would be called upon to meet with individuals and with businesses looking to relocate to Oakland, and to outreach proactively to meet with firms on their home turf.

By establishing this group, two major objectives could be achieved. First, pro-City ambassadors are created, leveraging their network of business entities to consider Oakland for relocation. Secondly, existing law precludes City government officials from spending tax dollars courting new businesses; these Teams would allow the private sector to help city government bring new businesses to Oakland.

Practically, this could take the following form:

- 1. A firm considering locating in Oakland is identified (City staff generated, Business Attraction Team generated, other);
- 2. City staff and members of the Business Attraction Team do a complete and thorough profile, regarding the industry to which the firm belongs, and analysis of the strengths and weaknesses it brings to the City;
- 3. Selected, appropriate members of the Business Attraction Team host a meeting with the firm. This could take a number of forms, such as hosting a social event, a tour of the City, tour of the potential sites, introduction of appropriate city departments, leaders, suppliers and customers, etc.

Successful Business Attraction Teams in other cities have sent their teams to other municipalities to attract new businesses to their areas.



IV. BACKGROUND REPORT ON STATE ENTERPRISE ZONE

The State Enterprise Zone is a specific, designated area in which companies conducting business can take advantage of State and Local incentives designed to help a business start or grow.

Given the benefits of qualifying as an Enterprise Zone, the City Council's Economic Development Committee should move swiftly to fulfill all conditions for achieving final designation as an Enterprise Zone and to develop a marketing, outreach and communications plan. The approach includes contacting both existing and new businesses so they are made aware of the benefits of locating within the Enterprise Zone and the promotion of businesses.

If an organization is located with the Oakland Enterprise Zone, it may be eligible for incentives such as:

State of California Tax Incentives:

Sales and Use Tax Credit

- Individuals may claim a credit equal to the sales tax paid or incurred on the first \$1 million cost of equipment purchased or leased;
- Corporations may claim a credit equal to the tax paid or incurred on first \$20 million;
- To qualify, the machinery or machinery parts must be used to: manufacture, process, combine or otherwise fabricate a product; produce renewable energy resources; or control air or water pollution.

Hiring Credit

- Employer claiming this credit must hire persons who are enrolled in qualified job training and placement programs;
- Employers may claim up to 50% of wages paid to a certified employee, up to certain established ceiling levels.

Net Operating Loss Carryover

• Individuals and corporations may apply net operating losses over 15 years.

Business Expense Deduction

• Individuals and corporations may deduct maximum amounts ranging from \$5,000 to \$10,000 on tangible personal property.

Net Interest Deduction for Lenders

• A deduction from income is allowed on the amount of net interest earned on loans made to a trade or business located in the Enterprise Zone.

Credit Against Income Tax for Individual Employees

• Depending on gross income, employees may be allowed a credit against income tax for a portion of wages earned in the Enterprise Zone.

City of Oakland Incentives for Business Retention and Job Creation:

- Employment Training
- Business Technical Assistance
- Cooperative Marketing Programs
- Site Location Assistance
- Permit Expediting

- Job Placement Assistance
- Business Loans Access
- Business Data Bank
- City Contract Preference
- Business Tax Reduction

V. BACKGROUND REPORT ON NEIGHBORHOOD REVITALIZATION

1. Neighborhood Commercial Specialists

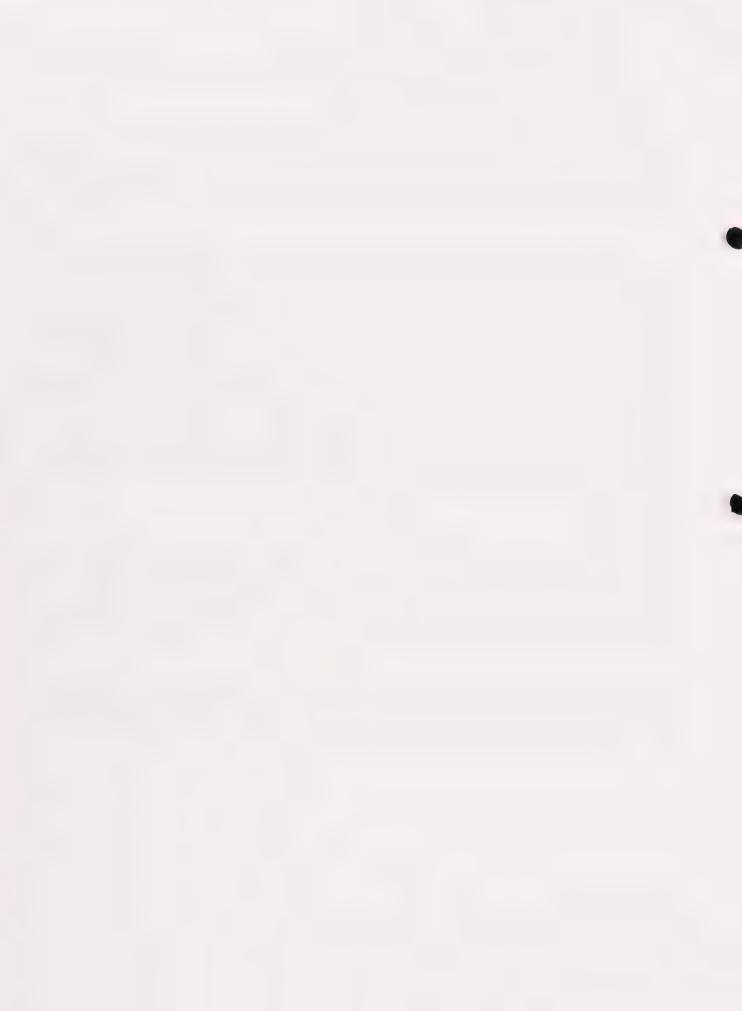
Many of Oakland's neighborhood commercial districts require sustained attention. Even the more robust districts like College Avenue, Piedmont, and Montclair are suffering from the recession and fire as well as larger scale economic forces. It is important to arrest decline in these and other communities and to rehabilitate neighborhood commercial districts that are in serious trouble.

Communities that have successfully revitalized their neighborhood strip developments have moved to the concept of the "District Commercial Specialist" as an important ingredient in their programs. The District Commercial Specialist serves in a role similar to a shopping mall manager. The Specialist assists merchants in developing joint marketing approaches, e.g., organizing sales days, hosting community events (such as fairs and market days) and creating a stronger relationship between the community and the shopping area. The District Specialist also assists in accessing technical assistance through the City departments (Office of Economic Development and Employment, Office of Neighborhood and Community Development, Office of Planning and Building, etc.) as well as universities and colleges, and other resources. In addition, the specialists can assist the commercial establishments in interfacing with such City agencies as the Police Department and Public Works, to insure the merchants receive timely service. Finally, the Specialist acts as a liaison with the local schools and service agencies to assist the merchants in playing effective roles as community citizens.

Implementation

The program can be implemented through the new Department of Housing and Neighborhood Development. The Department could establish a set of neighborhood commercial area coordinators for each of the <u>major</u> areas of the City (North Oakland and West Oakland, Downtown, and Hills, and East Oakland) who would oversee the District Commercial Specialists. These Coordinators could work with commercial districts to set up specialists for a single districts or consortia (e.g., Fruitvale).

The feasibility of funding alternatives should be explored. Each Specialist could be paid in part by the City on a sliding scale based on the total area economic health and the neighborhood districts. For example some communities might share a specialist, paying 50% of the salary, with the City contributing the remaining 50%.



2. Neighborhood Commercial Plans

The City has embarked on a process of developing commercial revitalization plans for each of its major neighborhood commercial areas. The first set of these plans has been developed for the Elmhurst/MacArthur area and Fruitvale. These plans cover specific physical and safety improvements that the City is pledged to initiate over an 18 month period. Fifteen specific actions are allowed for such plans. Each initiative must have a date and timing/schedule and include the sign-off of the appropriate Department Head.

Implementation

This program is already underway. It needs to be expanded to cover the entire City. It is proposed that in the new Department of Housing and Neighborhood Development, the Commercial Area Coordinators would be charged with the development of these plans; plans should be done for 6 to 10 of the commercial areas in the flatlands in the first two years.

3. Recycling Vacant Commercial Properties

One of the more innovative concepts developed in recent years is the notion of shopsteading. Shopsteading is similar to the Old Westward movement notion of homesteading. The difference is that a shopstead is a commercial building opportunity rather than a house. The way it works is very simple and straightforward. The City acquires, via the payment of back taxes or foreclosure, vacant and abandoned commercial facilities. These facilities are then cleaned up and offered on a proposal basis to a new business entrepreneur with a business plan and concept to restore the facility to current code. The new business person has a set amount of time to open the business and complete the repairs. If the business is a success for three years, the City gives full title to the businessperson. The City maintains a subordinated leasehold on the land. If the building is sold, the City land rent is due or can be waived depending on business activity.

Implementation

The best way to implement this program is to designate a pilot area for the City to commence. The most feasible place to do this would be the MacArthur Area of East Oakland. A significant amount of work, resulting in a MacArthur study, has already occurred and therefore the next logical implementation phase would be in this area. There are over 120 vacant commercial structures in this community. These vacant facilities would be enormous assets if they can be reused commercially. The City would set aside funds to acquire some of these facilities (CDBG funds might be a source). A community screening committee would develop a set of preferred enterprises and solicit proposals. The successful applicants would be then develop a business plan and commence operations.

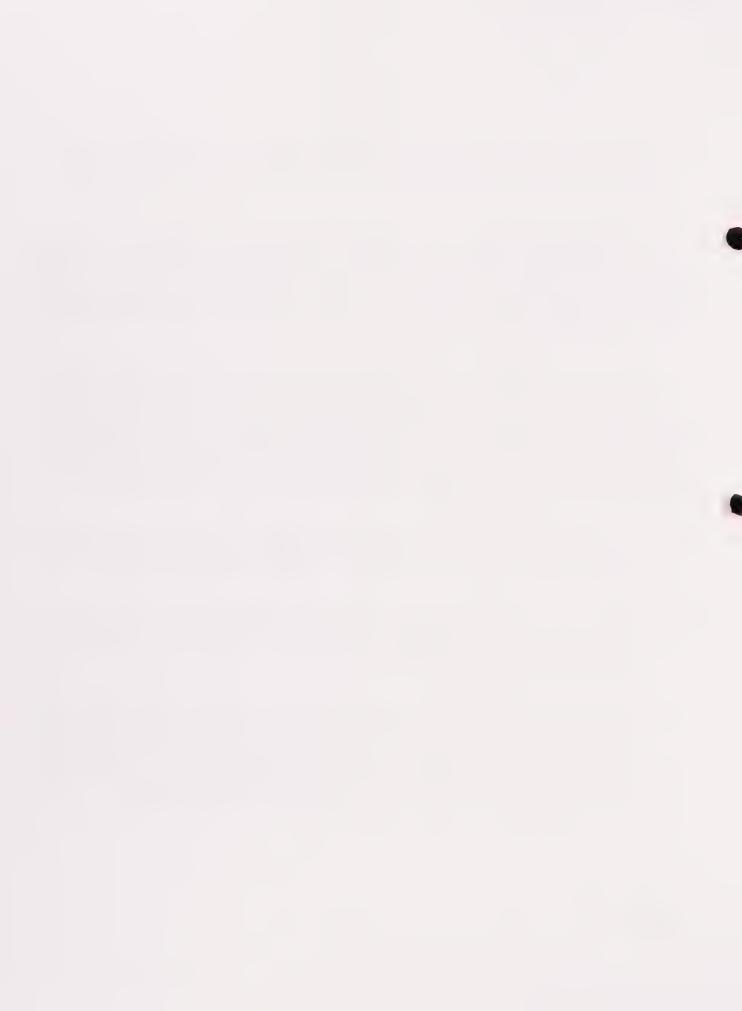


VI. BACKGROUND REPORT FOR BUSINESS CLIMATE AND REGULATIONS

Development in Oakland is often slowed by a complicated and conflicting set of policies and by a lack of timely responses by public agencies during the review process. Oakland appears to be slower than many other communities in this respect, including many cities its size or larger. Simplifying and speeding up the regulatory process for construction and rehabilitation will lower the cost of development and enhance the local economy. The planning and development process needs to be efficient and service-oriented.

The Economic Emergency Task Force recognizes that problems in providing timely and cost-efficient review of development proposals are the result of many different policies, and that there is a wide range of interests to be served in the planning and regulatory process. The City recently reorganized the departments which regulate the development of property, creating the Office of Planning and Building, as well as the Community Restoration and Development Center for reconstruction in the fire area. With these recent changes in mind, the Task Force supports the following actions that serve to assess the whole system and to seek ways to provide more effective delivery of the existing system:

- Set specific goals for the Office of Planning and Building for the time in which regulatory reviews and inspections must be completed. The Department should be fully staffed to carry out these functions.
- Implement a system which provides each development project with a single staff person as a main point of contact to "shepherd" projects through the planning and regulatory process. This activity is so essential that this activity should be maintained as the highest priority in any budget reductions.
- Conduct an independent audit and review of the goals, procedures, and operations of the Office of Planning and Building. The audit should also identify redundant and conflicting regulations that serve to slow down or halt the development process, and to simplify the permit process rules and regulations, with the goal of speeding up the process and thereby lowering costs, without sacrificing policy objectives or sufficient public notice. Where City policies conflict, the Council should commit to resolving these conflicts.



This process would be undertaken to determine what the Department should be doing and how it should carry out its mission, and to set goals for the full implementation of the remaining reforms detailed in the Harvey Rose Management Audit of the Permit Processing, Construction Inspection, and Code Enforcement Functions of Oakland City Departments Report.

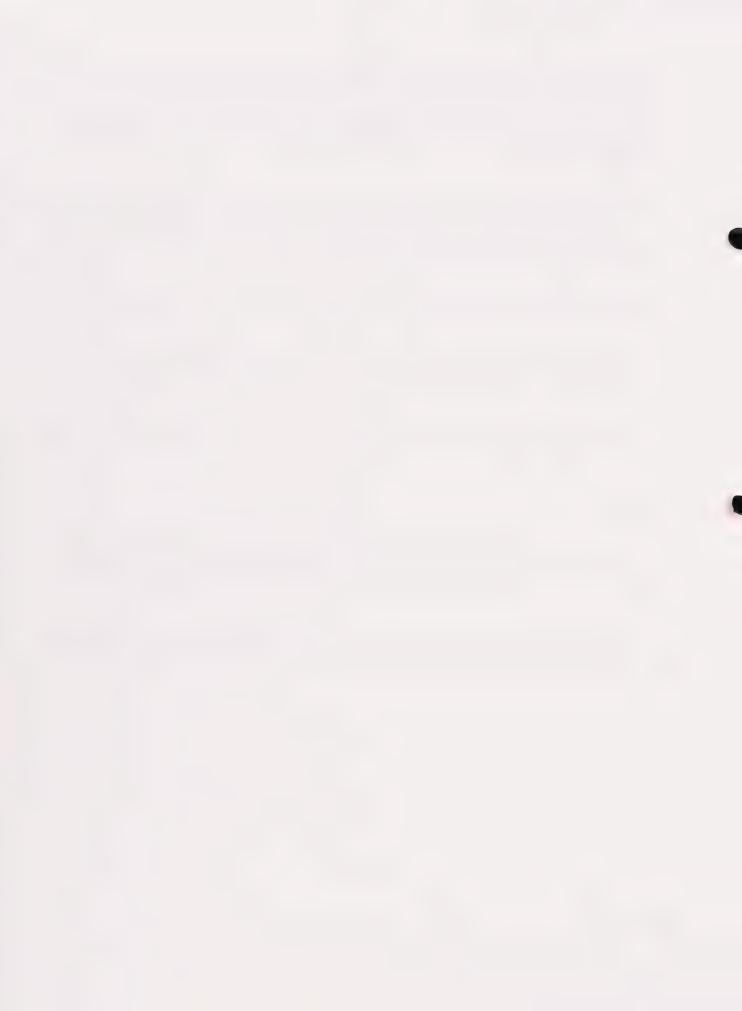
The audit should include all parties to the development process, including, but not limited to, builders, neighborhood associations, environmental groups, City staff, and policymakers. Monitoring could be achieved by a standing committee of the proposed Redevelopment and Economic Development Commission.

- Replicate the relevant components of the Community Restoration and Development Center for the rest of the single family home construction.
- Develop and maintain a program of "specialty combination inspectors" who can inspect several areas of the building code without reducing safety and environmental requirements.
- The Planning and Building Department should undergo a "Quality Management Training" by September, 1993.

Implementation

These proposals should be sent to the Planning Commission for immediate discussion, review and action. Subsequent to this review, the City Manger should develop a budget and timetable for implementation of these recommendations to be incorporated into the 1994 fiscal year budget.

The California Chapter of the American Planning Association should be contacted regarding the potential for that organization to conduct the audit or suggest resources that might be used in designing and conducting the audit.



VII. BACKGROUND REPORT FOR BIOSCIENCE ACTION PLAN

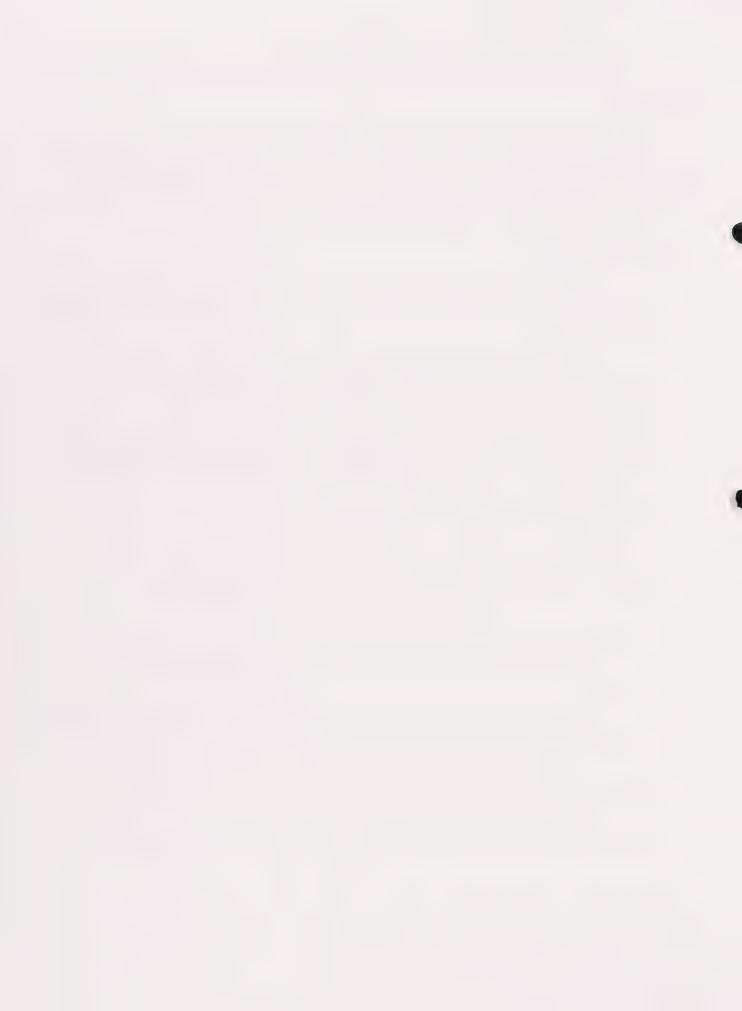
Background:

Northern California has seen the rise of an exciting new industrial sector in the past decade, the biotechnology and bioscience industry. Utilizing scientific advance achieved in the region's research laboratories, Bay Area entrepreneurs and venture capitalists have founded scores of new companies employing thousands of workers. While many of these new companies have located in East Bay cities, Oakland has not shared in that growth.

Need for Action Plan

An action plan needs to be drafted that details the steps Oakland should take to become a competitive site for bioscience company formation and relocation. The following elements could be included in that plan:

- 1. Land use, environmental, and permitting issues in bioscience facility development and how to position Oakland to compete in these areas. Recommendations for the development of a supportive and stable regulatory approach by the City.
- 2. Education of Oakland public officials and staff on the basic technologies utilized in the industry and the comprehensive safety regulations in place at the state and federal level.
- 3. Understanding the site selection process in bioscience companies and the key variables in choosing a site.
- 4. Oakland's advantages as a bioscience locale and how to promote them.
- 5. Oakland's weaknesses as a bioscience locale and how to strengthen them.
- 6. Capitalizing on the potential move of UCSF research facilities.
- 7. How Oakland can use employment patterns in bioscience to sell itself to bioscience companies.
- 8. Bioscience companies currently doing business in Oakland; who are they, why are they in Oakland, how they can be used to attract new companies.
- 9. Identification of, and introductions to, the leading practitioners in bioscience real estate development and consultation.
- 10. Marketing plan for introducing Oakland to the bioscience business community.



VIII. BACKGROUND REPORT FOR MAINTAINING A QUALITY WORKFORCE

As Robert Reich commented in <u>The Work of Nations</u>, the competitiveness of Americans in the global market is coming to depend, not on the fortunes of any American corporation or an American industry, but on the functions that Americans perform - the value they add within the global economy.

Investment in human capital requires both short-term and long-term initiatives. It is the basis on which other investment is often calculated. A decision to locate a new business or a decision to expand is often based on how well basic education programs serve to prepare the workforce. A competitive edge in new technology is often founded on having a link with existing universities and colleges or the ability to easily access technically proficient staff.

Oakland has a highly qualified workforce that resides within its boundaries. However, those trained residents do not work in Oakland. We have not created job opportunities that permit these residents to find work in their own city; therefore, we often export workers to other cities within the greater Bay region and as far north as Sacramento.

With the loss of manufacturing jobs, we have not always been able to develop either sufficient training to translate those skills into other job opportunities or attract new industry or technology that could readily access those skills. We have yet to explore how we can maximize our use of publicly-supported adult education for the re-training and upgrading of existing skills.

Parallel to that highly qualified workforce, we also have a large pool of functionally illiterate residents. Cognizant of these factors, in 1991, Mayor Elihu Harris created a JOB TRAINING TASK FORCE. This body spawned sub-committees which developed a series of recommendations regarding Oakland's needs. The Job Development and Training Subcommittee submitted the following recommendations.

- 1. A strong business retention program that includes linkage to employment, training, and education systems is critical for maximizing the impact of vocational programs on the City of Oakland.
- 2. All economic development planning should be closely linked with the employment, training and education systems.
- 3. The City needs a centralized coordination point of information regarding all of the education and vocational resources in Oakland, as well as the short- and long-term training needs of Oakland employers and employers of Oakland residents.
- 4. The issues of literacy and employment must be linked.



- 5. An employment and training strategic plan needs to be developed to facilitate the implementation of the concepts outlined in this proposal.
- 6. A major event is needed to initiate and begin implementation of these new ideas related to job training.

In response to these recommendations #1-5, the Mayor's Office, with support from the Private Industry Council, undertook to support a Clearinghouse. The planning of this effort began in October of 1992. The Clearinghouse is located within the Mayor's Office at 505 14th Street, 5th floor. It has secured office space, furniture, and a couple of computers. It is developing with the Employment Training Coalition the final format for its database.

In order to complete the implementation of these recommendations, the Mayor's Economic Emergency Task Force has recommended a "training summit" this June to continue to advance these recommendations. It would be followed by quarterly job conferences focused on industry sector. The Summit would be sponsored by the Mayor, and co-sponsored by major employers, Private Industry Council, Peralta Community College District, the Alameda County Economic Development Advisory Board, Oakland Unified School District, the County School District, the Department of Labor, trade unions, World Institute on Disability, and the University-Oakland Metropolitan Forum, among others. Summit participants should include vocational educators, school counselors, as well as school administrators and corporate human resource directors.

This would provide a forum to create collaborations between the employers and the training community. A positive local example of this is the Aviation High School that is being located at Castlemont High School as part of the Transportation Academy. This Task Force supports this type of collaboration, and would like to see the "summit" used as a vehicle to that end.

IX. BACKGROUND REPORT FOR FOLLOW-UP AND MONITORING OF ECONOMIC DEVELOPMENT STRATEGIES AND ACTIONS

It is crucial that the City have a coordinated approach to the development and implementation of economic strategies, polices, and programs. This will require clarifying the respective roles of the City Council, the City staff, boards and commissions, ad hoc task forces, Oakland--Sharing the Vision, and nongovernmental organizations which provide ideas, research, technical support, and which represent various constituencies. In reviewing proposals for short term action, this Economic Emergency Task Force and its Technical Advisory Panel were repeatedly struck by the need to improve the process by which Oakland creates its economic agenda and moves it forward.

The City Council's Economic Development, Community Development, and Housing Committee can be a key vehicle for the formulation of policies and priorities for action based on input from a wide range of sources. This Committee should forward priorities and policies to the full City Council. The Committee's work can be based not only on City staff reports but on proposals from Oakland-Sharing the Vision and other organizations which are charged with developing long-range strategies. The Committee should receive regular reports which measure progress toward its economic objectives. The Committee should organize its work and that of commissions so that it can avoid excessive amounts of meeting time devoted to particular managerial or contractual issues; instead, it can concentrate on matters of policy, strategy, and broad initiatives.

There should be a more coordinated way for all commissions concerned with economic development to report back to, and interact with, the City Council. Commissions have the key role of monitoring City programs, as well as providing important feedback to the Council on matters of policy. The reorganization of the Office of Economic Development and Employment, Redevelopment Agency and Office of Housing and Neighborhood Development provides the opportunity to restructure our commissions. Each commission should have sufficient staff to provide adequate, timely information and carry out its recommendations. Its members should be representative of the community and should have specific working knowledge of the relevant issues.

The Economic Emergency Task Force recommends that, in this reorganization, care be given to avoid the proliferation of many highly specialized commissions or bodies whose mandates overlap in an unclear manner. More consistency and efficiency may be achieved by consolidating several functions into one principal Economic Development/Redevelopment Commission, and then creating subcommittees within it to handle particular subjects such as community reinvestment, business retention, or neighborhood commercial revitalization.

